

Short extension of temporary exemption from US tariffs prolongs uncertainty

Brussels, 1 May 2018 – European Aluminium, the voice of the entire aluminium value chain, regrets US decision to exempt Europe from the 10% tariff on aluminium products for only one month, starting today until the 1 June 2018. While the industry was requesting a permanent exclusion of tariffs, this short temporary extension provides no relief to the industry, which is already in a vulnerable state due to unsustainable increase of overcapacity in China in both the primary and semi-fabricated aluminium sectors.

“Unfortunately, the future of our strongly interlinked transatlantic value chains is still clouded in uncertainty. Our industry needs stability to fully benefit from the growing demand for aluminium for strategic applications in packaging, mobility, construction and the electrical sector,” commented Director General Götz.

The European industry also faces the risk of being harmed by a redirection of aluminium from third countries that are targeted by the tariffs. This redirection could see an additional 35 per cent of semi-fabricated aluminium products ending up in Europe. In this light, European Aluminium welcomed the European Commission’s announcement on 26 April that it will start prior surveillance of certain aluminium products from third countries to monitor the developments of the market.

“In addition to the potential trade diversion, the European aluminium value chain is already in a vulnerable state due to the unsustainable increase of overcapacity in China in both the primary and semi-fabricated aluminium sectors. Chinese primary aluminium overcapacities represent five times the total EU production and increased 13 per cent during 2017 despite the winter stops in several Chinese smelters. Chinese exports to the EU of semi-fabricated products increased with double digits last year. The tariffs only divert the attention from finding a global solution to the global issue of Chinese overcapacity, which is the root cause of imbalances in our markets,” Götz said.

European Aluminium has long been a leading voice advocating for a global negotiated solution to tackle overcapacity. Last month, the industry association released a [joint letter](#) with its US, Canadian, Japanese, Mexican and Brazilian counterparts urging G20 leaders to launch a Global Forum on Aluminium Excess Capacity.

“We count on the EU Commission and the Member States to continue to work hard for a permanent exemption and take appropriate and commensurate safeguard measures if the prior surveillance proves an imports surge causing injury to our producers,” concluded Götz.

About European Aluminium:

European Aluminium, founded in 1981 and based in Brussels, is the voice of the aluminium industry in Europe. We actively engage with decision makers and the wider stakeholder community to promote the outstanding properties of aluminium, secure growth and optimise the contribution our metal can make to meeting Europe’s sustainability challenges. Through environmental and technical expertise, economic and statistical analysis, scientific research, education and sharing of best practices, public affairs and communication activities, European Aluminium promotes the use of aluminium as a material with permanent properties that is part of the solution to achieving sustainable goals, while maintaining and improving the image of the industry, of the material and of its applications among their stakeholders. Our 80+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations are representing more than 600 plants in 30 European countries. Aluminium products are used in a wide range of markets, including automotive, transport, high-tech engineering, building, construction and packaging.